



ఆంధ్రప్రదేశ్ రాజ పత్రము
THE ANDHRA PRADESH GAZETTE
PUBLISHED BY AUTHORITY

PART I EXTRAORDINARY

No.60

AMARAVATI, MONDAY, JANUARY 28, 2019

G.1121

NOTIFICATIONS BY GOVERNMENT

--X--

**ENVIRONMENT, FORESTS, SCIENCE & TECHNOLOGY
DEPARTMENT
(Section.II)**

ACCOUNT PROCEDURE AND OPEN OF PUBLIC ACCOUNT OF STATE
COMPENSATORY AFFORESTATION FUND OF ANDHRA PRADESH.

**[G.O.Ms.No.4, Environment, Forests, Science & Technology (Section.II),
10th January, 2019.]**

NOTIFICATION

In exercise of the powers conferred in section 4 of Compensatory Afforestation Act, 2016, (Central Act. 38 of 2016) (Government of Andhra Pradesh) hereby establish a special fund called "State Compensatory Afforestation Fund of Andhra Pradesh" under public accounts of the State, as follows :

Accounting Procedure

1. The accounting procedure to regulate the manner of crediting the monies to the National Fund and State Fund in a year shall be in such manner as given below:
 - (1) Consequent upon issue of notification in the Official Gazette for establishment of the 'National Compensatory Afforestation Fund' by the Central Government in terms of Section 3(1) and in terms of 3(3) of the said Act, the money deposited in nationalized bank accounts of adhoc Authority shall be transferred to the interest bearing section of Public Account of India under a distinct Minor Head with the nomenclature 'National Compensatory Afforestation Deposits' below the 'Major Head 8336- Civil Deposit' and Sub-Head opened thereunder for each State/ Union Territory.

Note: This is a Deposit Account as 90% of the monies transferred from the adhoc Authority belong to State Governments/UTs and not Central Government. Similarly, the funds realised from user agencies by State Governments/UTs shall be initially pooled in the corresponding State Compensatory Afforestation Deposits in the Public Account of the State and there from 10% transferred to National Compensatory Afforestation Fund (NCAF).

- (2) While remitting money, the Adhoc Authority shall provide detailed State wise break-up of Compensatory Afforestation, Additional Compensatory Afforestation, Penal Compensatory Afforestation, Net Present Value and Protected Areas etc.
- (3) The one-time 10% share of Central Government shall be credited/transferred to National Fund under interest bearing section of Public Account of India under a distinct minor head 'National Compensatory Afforestation Fund (NCAF) for the purpose below the 'Major Head 8121- General and other Reserve Funds'.
- (4) Consequent upon issue of Notification for establishment of 'State Compensatory Afforestation Funds' by the State Government in terms of Section 4(1) of the Act, State share (90% of the monies with Adhoc Authority) so credited to the National Compensatory Afforestation Deposits under Major Head 8336-Civil Deposits, shall be transferred to State Compensatory Afforestation Fund (SCAF) as per the State share. While transferring respective State share to State Fund, breakup shall be provided at Sub-Head level below the Minor Head 'State Compensatory Afforestation Fund (SCAF)'. These heads of accounts shall be uniformly applicable across the States.
- (5) The Monies received by the State Government from the User Agencies shall be credited in 'State Compensatory Afforestation Deposits' at Minor Head level below 'Major Head 8336-Civil Deposit' in Public Account of State out of which 90% shall be transferred to the Major Head 8121 in Public Account of State and 10% remitted to Major Head 8121 in Public Account of India by the State Government concerned. As per Section 3(4) of the Act, the 10% of funds realised from User Agencies and credited into State Compensatory Afforestation Deposits shall be completely transferred to National Fund before the close of the financial year. However, on monthly basis it should also be ensured that the 10% Central share of funds realised from User Agencies into State Compensatory Afforestation Deposits is transferred to National Fund.
- (6) The expenditure of the National Authority shall be provided for under the Detailed Demand for Grants of the Ministry of Environment, Forest and Climate Change. The National Schemes to be financed from the National Fund shall be formulated by the National Authority and provisions made for the same in the Ministry's Budget. Similarly, the State Budget shall have provision for State Schemes to be operated through State Fund based on the APO of the State Authority.

(7) The Pay and Account Officer of the Ministry or the State Treasury, as the case may be, shall debit the concerned Functional Head under Consolidated Fund of India/Consolidated Fund of State and thereafter make the accounting adjustment at – regular intervals with the National Compensatory Afforestation Fund as deduct recoveries. This ensures that the expenditure is adjusted from the National Fund or the State Fund, as the case may be, and the balance continues to remain in the interest bearing, non-lapsable fund in Public Account.

Note:- New Head of Accounts in connection of National Compensatory Afforestation Fund (NCAF)/ State Compensatory Afforestation Fund (SCAF) is provided in Schedule-1.

2. Detailed Accounting Entries.- (1) Accounting Procedure for transfer of the existing monies with Ad-hoc Authority shall be as below:-

(i) Initially, amount lying with Adhoc Authority shall be transferred to distinct minor head below 'MH 8336-Civil Deposits' under interest bearing section of Public Account of India.

Debit			
Major Head	Existing	8658	Suspense Accounts
Minor Head	Existing	108/13 8	Public Sector Bank Suspense/Other Nominated Banks (Private) Sector Banks) Suspense
Credit			
Major Head	Existing	8336	Civil Deposits
Minor Head	New	102	National Compensatory Afforestation Deposits
Sub Head	New	XX	State /UT

Note 1- Each State or Union territory will be a separate Sub-Head as per Schedule-1. Each Sub-Head may be divided into Detailed Head for various activities viz. Compensatory Afforestation, Additional Compensatory Afforestation, Penal Compensatory Afforestation, Net Present Value of Forest Land, Protected Areas (National Parks, Wildlife, Sanctuaries), etc.

Note 2. While remitting money, Adhoc Authority shall provide detailed State wise breakup (of Compensatory Afforestation, Additional Compensatory Afforestation, Penal Compensatory Afforestation, Net Present Value and Protected Areas etc.).

(ii)At the time of payment 90% share to State Governments or Union Territory, the following heads shall be as follows:-

Debit			
Major Head	Existing	8336	Civil Deposits
Minor Head	New	102	National Deposits Compensatory Afforestation
Sub Head	New	XX	State /UT
Credit			
Major Head	Existing	8658	Suspense Account
Minor Head	Existing	110	Reserve Bank Suspense —CAO

(iii)Respective States shall credit the amounts to dedicated Minor Head '129-State Compensatory Afforestation Fund (SCAF)' below Major Head '8121-General and other Reserve Funds'. This Minor Head may be divided into Sub-Head for various activities viz. Compensatory Afforestation, Additional Compensatory Afforestation, Penal Compensatory Afforestation, Net Present Value of Forest Land, Protected Areas (National Parks, Wildlife, Sanctuaries) etc. Provided that while transferring State share to respective States, detailed state wise breakup (of compensatory afforestation, additional compensatory afforestation, penal compensatory afforestation, net present value and Protected Areas etc.) provided by ad hoc Authority will be conveyed to State Authorities concerned. All these will appear in accounts of the State Governments at Sub-Head level below Minor head 129- State Compensatory Afforestation Fund (SCAF) under 8121- General and other Reserve funds. These heads of accounts will be uniformly applicable across the States.

Note 1.- The applicable rate of interest on balances available under 'National Compensatory Afforestation Deposits' under '8336-Civil Deposits' and 'National Compensatory Afforestation Fund' under 8121-General and Other Reserve Fund shall be fixed by the Central Government.

Note 2.-The applicable rate of interest on balances available under 'State Compensatory Afforestation Deposits' under '8336-Civil Deposits' and 'State Compensatory Afforestation Fund' under 8121-General and Other Reserve Fund shall be fixed by the State Government.

(iv)At the time of transfer of 10% share to National Fund, the following accounting adjustment will be made - 10% share pertaining to Central Government shall be transferred to National Compensatory Afforestation Fund (NCAF) under Public Account of India from

National Compensatory Afforestation Deposits below Major Head 8336-Civil Deposits.

Debit			
Major Head	Existing	8336	Civil Deposits
Minor Head	New	102	National Compensatory Afforestation Deposits
Sub Head	New	XX	State /UT
Credit			
Major Head	Existing	8121	General and other Reserve Funds
Minor Head	New	128	National Compensatory Afforestation Fund (NCAF)

(V) **Accounting Procedure for 10% yearly receipts transferred from the User Agencies-** (1) The current receipts relating to Compensatory Afforestation should initially be accounted for under the below mentioned head by States:

Major Head	Existing	8336	Civil Deposits
Minor Head	New	103	State Compensatory Afforestation Deposits

Provided that this Minor Head may be divided into Sub-Head for various activities viz. Compensatory afforestation, Additional Compensatory Afforestation, Penal Compensatory Afforestation, Net Present Value of Forest Land, Protected Areas (National Parks, Wildlife, Sanctuaries) etc.

(2) Thereafter, 90% of the receipts will be transferred to Minor Head '**129-State Compensatory Afforestation Fund (SCAF)**' under the Major Head 8121—General and Other Reserve Funds in Public Account **on monthly basis**. While transferring respective shares to the State Fund, break up will be maintained and have to be provided at **Sub-Head level under new Minor Head. 8121.129 State Compensatory Afforestation Fund (SCAF)**. These heads of accounts will be uniformly applicable across the States.

(3) **Balance 10% shall be transferred to the National Fund by the States from their Deposit Head of Account on monthly basis. The Following entries will be made in the books of Central Government on receipt of the same.**

Credit			
Major Head	Existing	8121	General and other Reserve Funds
Minor Head	New	128	National Compensatory Afforestation Fund (NCAF)

3. Expenditure from the Fund - (1) After due appropriation of funds and receipt of sanction of the Competent Authority the expenditure on schemes to be financed from National Fund will be incurred from the relevant sub-major/minor heads below the Major Head 2406.

(2) On the basis of sanctions issued by the Ministry/Department for payment from National Fund, the Pay and Accounts Officer will make the payment by debiting government account as below:

Debit			
Major Head	Existing	2406	Forestry and Wild Life
Sub Major Head	Existing	04	Afforestation and Ecology Development
Minor Head	New	102	National Compensatory Afforestation (NCA)
Sub Head	New	01	National Authority
Credit			
Major Head	Existing	8670	Cheques and Bills
Minor Head	Existing	102	PAO cheques

(3) A new Minor Head 103-State Compensatory Afforestation (SCA)' is opened under Major Head '2406-Forestry and Wildlife' below Sub-Major Head '04-Afforestation and Ecology Development'. This Minor Head may be divided into Sub-Head for various activities viz. Compensatory Afforestation, Additional Compensatory Afforestation, Penal Compensatory Afforestation, Net Present Value of Forest Land, Protected Areas (National Parks, Wildlife, Sanctuaries) etc.

4. Recoupment from National Fund/State Fund - The Pay and Accounts Officer of the Ministry of Environment, Forests and Climate Change shall make the accounting adjustment with the National Fund as deduct recoveries. This ensures that the expenditure is adjusted from the National Fund and the balance continues to remain in the interest bearing, non-lapsable fund in Public Account. The following entry shall be made in the books of Pay and Accounts Officer;

Debit		Code	Description
Major Head	Existing	8121	General and other Reserve Funds
Minor Head	New	128	National Compensatory Afforestation Fund (NCAF)
(-Debit)			
Major Head	Existing	2406	Forestry & Wild Life
Sub Major Head	Existing	04	Afforestation and Ecology Development
Minor Head	Proposed	903	Deduct Amount met from National Compensatory Afforestation Fund (NCAF)
Object Head		70	Deduct recoveries

Note: The arrangement for State Government(s) shall be similar to that of Central Government. The Minor Head for "Deduct Amount met from State Compensatory Afforestation Fund (SCAF)" is '904'.

5. **Budget of the National Authority-** (1) The National Authority shall prepare its budget for the next financial year showing the estimated receipts and expenditure of the National Authority and forward the same to the Central Government, in such form and at such time in each financial year as may be prescribed. **Same/Similar arrangement shall be applicable in respect of State Authorities also.**

(2) Principal Accounts Office, Ministry of Environment, Forest and Climate Change shall provide inputs for budget formulation to National Authority.

(3) The National Authority shall adopt financial regulation and procedures, in particular the procedure for drawing up and implementing the budget of the National Authority as may be prescribed.

6. **Annual Plan of Operation of National Authority.-** The National Authority shall prepare the Annual Plan of Operations (APO) with the approval of the Governing Body (of the National Authority) and formulate the National Scheme to operate the National Fund.

Note: Same/Similar arrangement shall be applicable in respect of State Authorities also.

7. **Accounts of National Authority.-** (1) Pay and Accounts Office, Ministry of Environment, Forest and Climate Change shall maintain a broadsheet of receipts and payments from the National Fund and effect reconciliation on monthly basis with the National Authority. It should be ensured that there are no adverse balances under the Reserve Fund at any time.

(2) The National Authority shall maintain proper accounts and other relevant records and prepare annual statement of accounts in such form as may be prescribed in consultation with the Comptroller and Auditor-General of India.

(3) The accounts of the National authority shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the National Authority to the Comptroller and Auditor-General of India.

(4) The Comptroller and Auditor-General and any other person appointed by him in connection with the audit of the accounts of the National Authority shall have the same right and privileges and authority in connection with such audit as the Comptroller and Auditor-General generally has in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect the office of the National Authority.

(5) The accounts of the National Authority as certified by the Comptroller and Auditor-General or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government by the National authority. The Comptroller and Auditor-General shall, within a period of six months from the date of commencement of the Act, audit the accounts of the all monies collected by the State Governments and Union Territory Administrations, which has been placed under the adhoc Authority and deposited in the nationalized banks and submit the report to the Central Government.

(6) The National Authority shall prepare, its annual report, giving a full account of its activities during the previous financial year and forward a copy thereof to the Central Government, in such form and at such time, for each financial year, as may be prescribed.

(7) The annual report shall inter alia, provide for:-

(i) The summary for monitoring and evaluation of activities undertaken from amounts released from the National Fund and State Funds during the year.

(ii) The summary of specific schemes specified in sub-clause (iii) of clause (b) of section 5 executed during the year.

(iii) The amount of money received and expended.

(8) The Central Government shall cause the annual report and audit report together with a memorandum of action taken on the recommendations contained therein to be laid as soon as may be after the reports are received before each House of Parliament.

8. Similar arrangement shall be applicable in respect of State Compensatory Afforestation Fund of Andhra Pradesh. The Principal Chief Conservator of Forest (Head of Forest Force) is requested to take necessary action accordingly.

9.Audit of National Authority.- The Comptroller and Auditor General of India has the power to conduct the audit including special audit or performance audit of State/ National Fund and State/ National Authority. The Internal Audit Wing under Chief Controller of Accounts shall also conduct audit at regular intervals of the National Fund and National Authority.

10.Investment of National Authority.- As the funds would be under the interest bearing section of the Public Account, there is no option with National/State Authority to invest the surplus in any other instrument.

Schedule-1**New Head of Accounts in connection with the National Compensatory Afforestation Fund (NCAF) / State Compensatory Afforestation Fund (SCAF)**

Head of Accounts		
Major Head	2406	Forestry & Wild Life
Sub Major Head	04	Afforestation and Ecology Development
Minor Head	102	National Compensatory Afforestation (NCA) (NCA)
Sub Head	01	National Authority
Major Head	2406	Forestry & Wild Life
Sub Major Head	04	Afforestation and Ecology Development
Minor Head	103	State Compensatory Afforestation (SCA)
Sub Head	01	State Authority
Detailed / Object heads may be opened to operate / expenditure for State Authority by each State / UT under this sub - head		
Major Head	8121	General and Other Reserve Funds
Sub Major Head	00	
Minor Head	128	National Compensatory Afforestation (SCAF)
Major Head	8121	General and Other Reserve Funds
Sub Major Head	00	
Minor Head	129	State Compensatory Afforestation (SCAF)
Detailed Head	01	Compensatory Afforestation
	02	Catchment Area Treatment Plan
	03	Integrated Wildlife Management Plan
	04	Net Present Value of Forest Land
	05	Interest
	06	Others

Major Head	8336q	Civil Deposits
Sub Major Head	00	
Minor Head	102	National Compensatory Afforestation Deposits
Sub Head	01	Andhra Pradesh
Detailed Head	01	Compensatory Afforestation
	02	Catchment Area Treatment Plan
	03	Integrated Wildlife Management Plan
	04	Net Present Value of Forest Land
	05	Interest
	06	Others

G. ANANTHA RAMU,
Principal Secretary to Government.

---X---